

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

December 9, 2008

Draft Minutes

Present:

Patsy Ann Hobson
Kay C. Horney
Barbara H. Klear
Manikoth G. Kurup, M.D.
William L. Murray, Ph.D.
Robert D. Voogt, Ph.D. (Chair)
Michael Walker

By phone:

Phyllis L. Cothran
David Sylvester

Absent:

Monroe E. Harris, Jr., D.M.D.
(Vice Chair)
1 vacant position

DMAS Staff:

Cynthia B. Jones, Chief Deputy Director
Cheryl Roberts, Deputy Director for Operations
Elizabeth McDonald, Legal Counsel
Seta Vandegrift, Budget Director
Louis Elie, Program Integrity Director
Craig Markva, Manager, Office of Communications &
Legislative Affairs
Nancy Malczewski, Public Information Officer, Office of
Communications & Legislative Affairs
Mamie White, Public Relations Specialist, Office of
Communications & Legislative Affairs

Speakers:

Patrick W. Finnerty, Director
Randall L. Clouse, Director, Medicaid Fraud Control Unit,
Office of Attorney General
Scott Crawford, Deputy Director of Administration and Finance

Guests:

Steven Buck, MFCU, OAG
James Pickral, Troutman Sanders
R.J. Gilson, ACS
Hobart Harvey, Virginia Health Care Association
Chris Whyte, Vectre

Call to Order

Dr. Robert D. Voogt, Chairman of the Board, called the meeting to order at 10:06 a.m. after a quorum was met.

Dr. Voogt thanked the members for reviewing the biennial report and signed the cover letter to be sent along with the report to the Governor and General Assembly.

He commented that there has not been a replacement for former Board member, Rose Chu. However, we expect to receive word from the Secretary of the Commonwealth on her

replacement by our March meeting. Dr. Voogt noted that Board members need to process their financial disclosure form which is due back by January 12, 2009.

Lastly, Dr. Voogt mentioned that the Board meetings in 2009 will be March 10, June 9, September 15 and December 8.

Approval of Minutes from September 9, 2008 Meeting

Dr. Voogt noted one correction that Dr. Kurup was listed as Chair in the minutes of the September 9 meeting and then asked that the Board make a motion to approve the Minutes from the September 9, 2008 meeting. Dr. Murray made the motion to accept the Minutes as amended and Ms. Klear seconded. The vote was **7-yes (Hobson, Horney, Klear, Kurup, Murray, Walker and Voogt); 0-no. (Because of state “open meeting laws,” the vote of anyone participating by phone could not be counted.)** He then asked the Board members, DMAS staff and guests to introduce themselves.

Medicaid Fraud

Randall L. Clouse, Director of the Medicaid Fraud Control Unit (MFCU) at the Office of the Attorney General, gave a detailed overview of the MFCU, explaining the history of the unit, the unit performance in terms of convictions and monies recovered, and shared highlights of a well publicized case which resulted in extensive monetary recovery. Mr. Clouse explained that MFCU staff meets with DMAS staff frequently and the two agencies work cooperatively to investigate fraud and abuse against the Virginia Medicaid program. Of particular note, the Virginia Attorney General’s Medicaid Fraud Control Unit was awarded the Medicaid Fraud Control Unit of the Year from the United States Department of Health and Human Services Office of the Inspector General. MCFU received this award for making the highest financial recovery of any state in the history of the program.

There were several questions for Mr. Clouse and discussion by the Board. Mr. Finnerty commented on the success of the National Association of Medicaid Program Integrity (NAMPI) conference hosted by Virginia in August, at which Mr. Clouse gave a similar presentation.

Medicaid Forecast/Budget Update

Mr. Scott Crawford, Deputy Director of Finance and Administration, gave an overview of the Medicaid Forecast explaining the forecasting process. By November 15 of each year, an estimate of Medicaid expenditures for the current year and forecast for the next two years must be submitted.

Mr. Crawford discussed several key aspects of the forecasting process and this year’s forecast estimates, including cost trends related to enrollment and its affect on managed care, inpatient

and outpatient hospital, physicians, pharmacy, Medicare premiums, dental, transportation, nursing facilities, waivers, and mental health services.

Mr. Crawford concluded with comments on several actions being taken by DMAS in response to the Governor's request to address the revenue shortfall and identify potential savings. Mr. Crawford noted that the Governor will present his budget proposals to the General Assembly on December 17, 2008, and that DMAS staff will send relevant information regarding Medicaid to the Board members.

Medicaid National Perspective

Mr. Finnerty gave an overview of Medicaid from a national perspective. He stated that Medicaid is the nation's largest public health insurance program, covering over 61 million low-income Americans. On average, Medicaid covers about one in every five American. By comparison, Medicare currently services approximately 44 million individuals. Medicaid is the second largest program in most states' general fund budgets.

Mr. Finnerty then highlighted significant statistical information related to national minimum eligibility levels; percent of residents covered by Medicaid by state; Medicaid share of personal health care spending; managed care penetration; Medicaid expenditures by type of service; and, percent of change in enrollment and spending growth.

Mr. Finnerty concluded with comments on highlights of a recent CMS actuarial report.

OLD BUSINESS

Regulatory Activity Summary

The Regulatory Activity Summary is included in the Members' books to review at their convenience.

New Business

None.

Adjournment

Having no other business, Dr. Kurup motioned to adjourn the meeting, and Ms. Horney seconded. The vote was 7 **yes (Hobson, Horney, Klear, Kurup, Murray, Walker, and Voogt); 0-no**. Dr. Voogt thanked everyone and adjourned the meeting at 11:45 a.m.